

16 February 2022

Global Markets Research

Mid-day Currency Outlook

USD/MYR



Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened unchanged at 4.1860 and continues to range-bound within recent ranges. The broadly weaker USD overnight and the loss in safe haven appetite may offer some support to the MYR, although the pair is expected to be capped within a tight range by the cautious market sentiment ahead of the FOMC minutes.

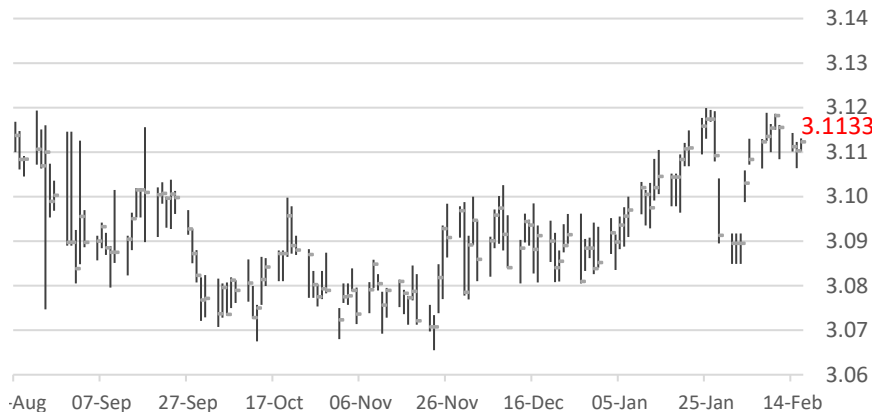
1-Month Outlook – MYR Neutral

We expect the MYR to be relatively resilient in the medium term, taking into account further economic recovery after the government relaxed more Covid-19 related restrictions. This also takes into account our view that the broader USD is also expected to stay firm supported by aggressive Fed rate hike expectations and likely outperformance of recovery in the US vis-à-vis other majors. That said, the emergence of the Omicron variant could potentially derail the recovery and policy normalization path.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1760	4.1800	4.1850	4.1950	4.2000

MYR Crosses

SGD/MYR



SGD/MYR Neutral to Slightly Bullish

SGD/MYR opened little changed at 3.1128, catching up with the stronger SGD/USD this morning amid a reversal in risk-off flow. We are neutral to slightly bullish on SGD/MYR with immediate resistance at 3.1150, in anticipation for tomorrow's FOMC minutes and Singapore GDP report.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.1065	3.1080	3.1133	3.1150	3.1200

GBP/MYR



GBP/MYR Neutral

GBP/MYR opened 0.2% lower at 5.6680. GBP/USD did not benefit much from the recovery in global risk sentiment, holding steady at circa 1.3540 despite the solid UK employment and wage data that back BOE rate hike expectations. GBP/USD and GBP/MYR are likely to stay lacklustre, with next potential drivers being the UK CPI today and subsequently the FOMC minutes.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.6522	5.6600	5.6684	5.6742	5.6880

AUD/MYR



AUD/MYR Bullish

AUD/MYR opened little changed at 2.9924. AUD/USD recovered modestly from the easing geopolitical tensions, as the dovish RBA minutes took a backseat. China's CPI and PPI inflation softened in January, meaning that the PBOC could further ease policy; We expect AUD to be supported by continued risk-on flow barring from any negative news on the Russia-Ukraine front.

	S2	S1	Indicative	R1	R2
AUD/MYR	2.9715	2.9827	2.9983	3.0000	3.0100

Source: Bloomberg, HLBB Global Markets Research

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